Japanese Carbon and Alloy Flat Products Exclusion Request

Product Category: Hot-Rolled Products (#3)

(a)	Product Designation/HTS	**High-Carbon Hot-Rolled Alloy Steel** 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.50.85, 7226.91.70
(b)	Product Description	High-carbon hot-rolled alloy steel is made to specifications SAE 8670 modified, SAE 4135 (modified), SAE 8660 (modified), SAE 4130 (modified), and JIS SCM 435.
(c)	Basis for Exclusion	See text below
(d)	Names and Location of U.S. and Foreign Producers	See Attachment A
(e)	U.S. Consumption	See Attachment B
(f)	U.S. Production	See Attachment B
(g)	Substitutible Products	See Attachment C

Attorney Contact: Matthew R. Nicely (202-429-4705, mnicely@willkie.com) or
Julia K. Eppard (202-429-4709, jeppard@willkie.com)
Willkie Farr & Gallagher

Certain high-carbon, hot-rolled, alloy steel sheet is not produced in the United States. The main domestic producer, Sharon Steel, left the market in the early 1990s. Another producer, WCI Steel Inc., continued to produce this specialty hot-rolled steel, however it is limited in the size ranges it provides and it does not produce the larger sizes. Also, several U.S. purchasers have disqualified WCI as a supplier due to significant quality problems and long delivery delays. The only other domestic producer of this saw blade steel, Acme Steel, announced on October 16, 2001 that it was shutting down its operations within a week.[1] There is now no domestic producer of the larger sizes of saw blade steel. This dramatically affects the saw blade industry in particular as a large portion of the high-carbon hot-rolled alloy steel they buy is in the larger sizes. Although many U.S. purchasers prefer to buy from domestic sources, WCI cannot match the quality and dependability of Japan's product.

The availability issue is further compounded by the impact that Canadian imports of saw blades has had on the U.S. industry. Even before the economic slow-down in the United States, Canadian saw blade manufacturers were continuously driving down prices of saw blades in the United States. Now that the American dollar has increased in value relative to the Canadian dollar, Canadian imports are even cheaper and they are able to undercut U.S. manufacturers to an even greater degree. If increased duties were applied to this high-carbon,

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[1] *See* "Acme Metals is Beginning to Shut Down," Tom Balcerek, American Metal Market (Oct. 17, 2001). *See also*, "Acme Metals to Begin Phased Shut-Down of Steel Making Operations; Acme Packaging to Continue Normal Operations," PRNewswire (Oct. 16, 2001).

business. Mr. James Ruthven of Pacific Hoe Saw and Knife explained that, "{a}ny increase in duties on high-carbon hot-rolled alloy steel for saw blades would severely hinder our operations … [ ]"[2] This is not a situation that is unique to Pacific Hoe Saw & Knife. These sentiments are expressed among all of the U.S. saw blade producers. They want to keep their business in the United States and not move them to cheaper locations, such as Mexico. Kraig Baron, the President of Western Saw, stated, "I have had several offers to move my business to Mexico and other countries where I could be far more profitable than I currently am. I have chosen not to do so because I want this to continue to be an American business."[3] However, these saw blade manufacturers will not be able to remain profitable if there are increased duties on this imported steel.

Some U.S. purchasers buy hot-rolled steel from Japan for further manufacturing into saw blades. The primary requirement is that the steel be as flat as possible across the sheet. Flatness improves durability and eases heat treatment to further harden the steel. The finished product is used in a variety of sectors, including the lumber industry, furniture making, metal cutting, construction, ceramics, and surgical saws. Each has particular size requirements, but flatness and durability are common.

Attachment D provides affidavits from three U.S. saw blade manufacturers. For example, Western Saw buys hot-rolled steel to produce saw blades for the diamond core sector, which makes equipment for the construction industry and road repair work such as cutting concrete and asphalt. Kraig Baron explained that Western Saw prefers to buy from domestic sources, and used to purchase 60 percent of its steel requirements from U.S. mills, before Acme Metals went out of business.[4] However, now there is only one domestic supplier of this steel and the largest size WCI produces[5] is the smallest size that Western Saw would purchase.[6] Mr. Baron explained that:

> Most of our equipment is designed to process large sheets of steel ... If we were forced to use smaller sheets, our costs would increase because yield loss would increase and we would not be using our equipment efficiently. In addition, we make saw blades that are wider than 36.7 inches and therefore require wider steel sheet.

Western Saw must buy imported high-carbon hot-rolled alloy steel in order to produce its saws.

[ ] is another U.S. producer of saw blades for the furniture, metal cutting, diamond core, ceramics, and surgical saw markets. [ ] buys hot-

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[2] *See* Supplemental Affidavit of James Ruthven, Vice-President of Pacific Hoe Saw & Knife (**Attachment D**).

[3] *See* Supplemental Affidavit of Kraig Baron of Western Saw (**Attachment D)**.

[4] *See* Affidavit of Kraig Baron, President of Western Saw in **Attachment D**.

[5] *See* quote from WCI to Western Saw in **Attachment E**. In this quote it is obvious that WCI only produces the smaller widths of high-carbon hot-rolled alloy steel. There is one width that goes to 42", however this does not fall in the range of what Western Saw needs because it is too thick for the width. Western Saw only buys sheet that thick in 49" widths and larger. Therefore, they must import the steel for the larger blades.

[6] *See* Affidavit of Kraig Baron, President of Western Saw in **Attachment D**.

rolled sheet from Japan, heat treats and cuts it for sale to saw manufacturers that finish the product. The company buys from a variety of sources and prefers U.S. suppliers but the results have been disappointing. [ ] stopped purchasing from Acme Steel because it was unable to meet delivery deadlines, letting orders lag for up to one year. Indeed, at one point, it took less time for [ ] to ship the product from Japan than for Acme to ship a few hundred miles. WCI also supplied hot-rolled sheet, but it does not produce sheet as wide as 38 inches, which [ ] requires for certain applications. With respect to quality, [ ]'s product is flatter and more consistent because processing is to tighter tolerances. Moreover, [ ] packages the sheet to prevent damage during shipment, resulting in a cleaner product upon delivery and reducing processing and waste.

Pacific Hoe, Saw & Knife manufactures about [ ] of the saw blades made in the United States, servicing the lumber industry. Jim Ruthven has been purchasing hot-rolled sheet for 18 years, and only [ ] is able to provide the high quality steel his company requires.[7] According to Mr. Ruthven, [ ] produces the sheet to very tight tolerances and the flatness of the product surpasses that of any U.S. product. Indeed, [ ]'s product is consistently flat across the sheet, resulting in less waste during processing.

Pacific Hoe Saw & Knife is particularly vulnerable to this safeguards case, as "97% of {their} raw steel materials are <u>not</u> produced in the United States, and yet, are under the scope of this Steel 201 investigation."[8] For the ITC to recommend quotas or duties on these types of steel would only serve to cripple Pacific Hoe Saw & Knife and other companies similarly situated.

Tim Gase of Peerless Saw Co. also confirmed [ ]'s superior quality.[9] Peerless Saw, which supplies the lumber, furniture, and steel cutting industries, has purchased hot-rolled steel from domestic producers in the past, but has found that only [ ] meets its needs. The company changed suppliers from WCI to [ ] in the mid-1990s because of quality problems, specifically, the sheet would not stay flat during heat treatment. "Even if we hammer it flat again, the steel will continue to curl when it is used. A curved blade is not only useless, but is dangerous to use."[10] Characteristics that determine quality include bruises, roll marks, flatness, and hardenability.[11]

Mr. Gase of Peerless Saw explained that the company prefers to purchase from U.S. producers, but cannot because it would hurt the quality of his product and damage his business:

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[7] *See* Affidavit of James Ruthven, Vice President, Pacific Hoe, Saw & Knife Co. in **Attachment D**.

[8] *See* Supplemental Affidavit of James Ruthven, Vice-President, Pacific Hoe Saw & Knife in **Attachment D**.

[9] *See* Affidavit of Tim Gase, President of Peerless Saw Co. in **Attachment D**.

[10] *Id*.

[11] *Id*.

> "If the US government decides to put additional tariffs on imported alloy steels it will only continue to hurt US manufacturers like Peerless Saw Company. Today our major competitors are from outside the US, mainly Germany. If an additional cost is added to the alloy steel prices it will make it that much more difficult to compete with these companies. It will allow them to either take our market share away, if we try to pass the additional cost of raw material on to the customer or decrease our margins if we choose not to change our prices. In either case it is detrimental to our business and other businesses like ours.
>
> Peerless has had to invest in modern equipment and improve our manufacturing processes to compete with international companies, I would expect the steel companies to do the same. *Peerless has not relied on Government intervention to protect its business, why should the Government protect the steel companies.*"[12]

As these U.S. purchasers confirmed, hot-rolled steel for saw blades is not the source of the domestic industry's problems. U.S. producers have not met the Japanese quality standards and reliability despite efforts to invest in the necessary equipment. Whatever the reason for this failure, purchasers demand that this particular product continue to be available from foreign sources like Japan.

Finally, imported high carbon hot-rolled steel is typically more expensive than U.S. hot-rolled steel. As shown in **Attachment B**, the unit price for certain high-carbon, hot-rolled, alloy steel sheet from Japan ranged from [ ] to [ ] during the POI. Compare these prices to the pricing data collected by the Commission for the selected pricing products which are intended to be representative of U.S. prices of hot-rolled steel products in general.[13] This attachment demonstrates the significant overselling of these specialty products imported from Japan. These high priced imports have no detrimental effect on the domestic industry and warrant exclusion from any 201 remedy.

To place restrictions on imports would unfairly harm domestic consumers of this specialized hot-rolled alloy steel sheet product without benefiting the domestic producers who have been unable or unwilling to provide a product. Moreover, the available pricing data indicates that the [ ] overselling by imports demonstrates that Japan is not contributing to the serious injury of the domestic industry. Therefore it is appropriate to exclude high-carbon, hot-rolled, alloy steel sheet from any 201 remedy.

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[12] Correspondence with Tim Gase, President of Peerless Saw Co. (Nov. 12, 2001).

[13] *See* ITC's Staff Report at Tables FLAT-68, FLAT-69 (public version).

Attachment A

Foreign Producers

(1) NKK Corporation

- Address: 1-1-2, Marunouchi Chiyoda-ku, Tokyo 100, Japan
- Phone: 011-81-3-3217-2444
- Fax: 011-81-3-3214-8417

(2) Kawasaki Steel Corporation

- Address: Hibiya Kokusai Bldg., 2-3, Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo 100-0011, Japan
- Phone: 011-81-3-3597-4019
- Fax: 011-81-3-3597-3749

Domestic Producers

(1) WCI Steel Inc., Warren, OH

HOT-ROLLED

High-Carbon Hot-Rolled Alloy Steel Sheet

Quantity						**January - June**		**Projections**					
Company	**1996**	**1997**	**1998**	**1999**	**2000**	**YTD 2000**	**YTD 2001**	**2001**	**2002**	**2003**	**2004**	**2005**	
[	4,174	3,818	3,642	3,051	3,610	1,866	1,197	2,832	2,832	3,032	3,032	2,832	
	0	0	0	0	1,314	0	1,470	1,314	1,314	1,314	1,314	1,314	
Total	4,174	3,818	3,642	3,051	4,925	1,866	2,667	4146.38884	4,146	4,346	4,346	4,146	]

Value *						**January - June**		**Projections**					
Company	**1996**	**1997**	**1998**	**1999**	**2000**	**YTD 2000**	**YTD 2001**	**2001**	**2002**	**2003**	**2004**	**2005**	
[	3,008,212	2,493,351	2,418,404	1,877,203	2,436,150	1,196,579	719,128	1,700,644	1,820,624	1,820,624	1,820,624	1,700,644	
	0	0	0	136,025	707,950	283,200	779,875	707,950	707,950	707,950	707,950	707,950	
Total	3,008,212	2,493,351	2,418,404	2,013,228	3,144,100	1,479,779	1,499,003	2408594.41	2,528,574	2,528,574	2,528,574	2,408,594	]
[Unit Price	0	0	0	0	0	0	0	]					
U.S. Production	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	
Imports from Other Countries	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	
Total U.S. Consumption	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown	

Known Substitutable Products: None

U.S. Production: None

U.S. Producers: None

AFFIDAVIT OF KRAIG BARON, PRESIDENT, WESTERN SAW

I, Kraig Baron, declare and state to the best of my knowledge, information, and belief, that:

1. I am President of Western Saw of Oxnard, California. We produce saw blades for the diamond core sector, which makes equipment for the construction industry. The hot-rolled steel that is our raw material must be as flat and hard as possible in order to withstand the repeated stresses of such end uses as road repair work, which involves cutting concrete and asphalt.

2. Our company prefers to buy from domestic sources whenever possible. We purchase 60 percent of our steel requirements from U.S. mills. However, WCI only produces sheet as wide as 36.7 inches, which is the smallest size Western Saw purchases. Most of our equipment is designed to process large sheets of steel. We specifically purchased this equipment to process wide sheets. If we were forced to use smaller sheets, our costs would increase because yield loss would increase and we would not be using our equipment efficiently. In addition, we make saw blades that are wider than 36.7 inches and therefore require wider steel sheet. In order to stay competitive within our industry, we buy from foreign sources such as [ ] Corporation of Japan, which offer wider sheet that meets our needs.

3. In addition to size availability, quality is an issue for Western Saw. Another U.S. mill, Acme, produces wider sheets, but recently, we have experienced quality problems with their steel. Some of our purchases have had "pits and gouges" on the surface and such defects affected the appearance and quality of the saw blades that were made from the steel. In fact, we recently were forced to scrap $100,000 in rejected merchandise due to the problems caused by Acme's steel. Such defects also increase the cost of our product because the steel requires additional processing to grind away the defects and we have to buy more expensive, thicker steel to achieve the desired thickness after grinding. We pride ourselves in offering high-quality saw blades. Our reputation would be damaged if we were forced to rely more heavily on Acme and quality problems persisted. We simply cannot afford to accommodate such problems or we risk becoming uncompetitive.

4. Japanese hot-rolled steel is consistently better quality than what is available in the United States. The Japanese mills process and cut the sheet in-house, where they can maintain control. Acme does not have the ability to cut-to-length and therefore sends its product to a service center. We have found that this has caused some of Acme's quality problems.

5. Again, Western Saw is committed to buying its steel requirements from domestic producers. However, a reliable supply of the sizes and quality of hot-rolled steel is critical to maintaining our standards. We do not believe that imports injure the domestic industry. Therefore, we urge the Commission to determine that no safeguards relief is required for this product.

Kraig Baron
Dated: 9-5-01

Subscribed and sworn to before me this 5th day of September, 2001.

Notary Public

My commission expires: MAR 28, 2003

STEPHAN SNIDER
Commission # 1214265
Notary Public - California
Ventura County
My Comm. Expires Mar 28, 2003

PUBLIC VERSION

SUPPLEMENTAL AFFIDAVIT OF KRAIG BARON
PRESIDENT, WESTERN SAW

I, Kraig Baron, declare and state to the best of my knowledge, information, and belief, that:

1. I am the President of Western Saw of Oxnard, California. This affidavit is a supplement to the affidavit that I signed on September 5, 2001 and was submitted in the *Prehearing Injury Brief for Specialized Hot-Rolled Products: Product #3.* I write this supplement because there have been some serious new developments in the saw blade industry that have tremendous implications on my business and the saw blade industry.

2. Acme Metals is the only domestic source that sells high-carbon hot-rolled alloy steel sheet wider than 36.7". Over half of our production relies on sizes of sheet wider than 36.7". We have recently learned that Acme Metals is ceasing all production of this hot-rolled steel for saw blades. According to the reports, Acme will only be in operation for one more week. Without Acme, our only other source of supply for saw blade steel is Japanese mills.

3. Placing quotas or high duties on this steel would only hurt U.S. businesses like mine, that are struggling to stay afloat in this challenging economy. Even if Acme somehow is able to continue production, we will still need an alternative supply of this steel. As I stated in my previous affidavit, Acme has been experiencing quality problems. Furthermore, it is unreasonable to expect saw blade producers to rely solely upon one producer of saw blade steel, especially when that producer has already announced it is going to close its operation.

4. I have had several offers to move my business to Mexico and other countries where I could be far more profitable than I currently am. I have chosen not to do so because I want this to continue to be an American business. We need to maintain U.S. production of saw blades. Increasing our costs to buy saw blade steel will not help the domestic industry and will only serve to hurt American businesses that must purchase imported steel.

Kraig Baron

Dated: 10-26-01

Subscribed and sworn to before me this 26 day of October, 2001.

Notary Public

My commission expires: NOV 12, 2003

SRU1 ROGER DUDNICK Commission # 1238131 Notary Public - California Ventura County My Comm. Expires Nov. 12, 2003 SRU1

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PUBLIC VERSION

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AFFIDAVIT OF
JAMES RUTHVEN
VICE PRESIDENT, PACIFIC HOE SAW & KNIFE CO.

I, James Ruthven, declare and state to the best of my knowledge, information, and belief, that:

1. I am Vice President of Pacific Hoe Saw & Knife Co. of Portland, Oregon. We produce circular saw blades and band saws for the primary side of the lumber industry. [ ] I have been purchasing steel for 18 years and both [ ] have been my most consistent suppliers. I purchase my steel for saw blades from [ ] and my steel for band saws from [ ]. In fact, there is no cold-rolled steel for band saws even produced in the United States.

2. Cold-rolled steel for band saws is used for making band saws for the lumber industry. Band saw manufacturers are the only ones that purchase this particular type of steel. The lumber mills have been raising the standard for the band saws that they purchase because the cost of the logs has risen. They are now demanding a thinner product so that when the blade cuts the log, less sawdust is produced, thereby increasing their efficiency. In fact, the lumber industry has tightened all specifications for band saws so as to purchase the highest quality product.

3. Because of the lumber industry's demands for a thinner blade, we have had to raise our specifications for the cold-rolled steel we purchase to make band saws. The thinner the blade, the higher the quality of steel that must be used. There are tight specifications for this steel and tight tolerances. It must be very flat, perfectly straight, and consistently level. It must also be consistent on width and can only vary one to two points on the Rockwell Scale for hardness. These properties also must be consistent over the full length of the coil. These cold-rolled coils can be over 500 to 600 feet, so it is crucial to have a consistently high-quality producer.

4. Cold-rolled steel for band saws is <u>not</u> produced in the United States. We must purchase it from [ ] in Japan. About 15 to 16 years ago, some domestic industries attempted to produce this product, but were unsuccessful. In my memory, there have been no recent attempts by the U.S. industry to make this type of cold-rolled steel. [ ] has been a consistent and dependable producer of cold-rolled steel for band saws for us for over 17 years.

5. With respect to the hot-rolled steel we purchase, the major U.S. producer that made hot-rolled steel for saw blades (Sharon Steel) left the industry around 7-8 years ago. We replaced Sharon Steel with [ ] as a supplier of saw blades and now depend on [ ] consistent quality. Acme had been producing some hot-rolled steel for saw blades, however, they are in bankruptcy. Because of the nature of this business, we develop long-term relationships with the suppliers and need suppliers that are dependable and will continue to be able to provide us steel years from now. [ ] produces a

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consistently high-quality product and is a dependable supplier of hot-rolled steel for saw blades.

6. [ ] saw blade steel is produced to tight tolerances for flatness. The circular saws we produce require very flat material. [ ] product is flat across the sheet. resulting in less waste. In addition, the flatness facilitates heat treatment, which allows us to harden the steel. Clearly, a harder steel results in a more durable saw blade that stands up to the heavy duty use by the lumber industry.

7. We have purchased a small quantity of saw blade steel from a U.S. producer, Acme, but only thicker steel that is not available from [ ] Nonetheless, we rely on [ ] as our primary steel supplier because it can produce the high quality material we require. If [ ] offered the thicker sheets we would buy them from [ ] because of their consistently high quality.

8. I believe that the U.S. steel industry is not injured by imports of this products because, frankly, the U.S. industry does not produce these products. None of them produce cold-rolled steel for band saws, and [ ] is the only one that has been able to consistently and dependably produce hot-rolled sheet for the saw blades. Both [ ] hot-rolled steel sheet and [ ] cold-rolled band saw steel are essential to my business. I respectfully request that the Commission exclude these products from its investigation.

James Ruthven

Dated: September 7, 2001

Subscribed and sworn to before me this 7th day of September, 2001.

Notary Public Wade Nelson

My commission expires: 9/28/03

OFFICIAL SEAL
WADE NELSON
NOTARY PUBLIC - OREGON
COMMISSION NO. 327559
MY COMMISSION EXPIRES SEPT. 28, 2003

PUBLIC VERSION

AFFIDAVIT OF JAMES RUTHVEN,
VICE-PRESIDENT, PACIFIC HOE SAW & KNIFE CO.

I, James Ruthven, declare and state to the best of my knowledge, information, and belief, that:

1. I am the Vice-President of Pacific Hoe Saw & Knife Co. of Portland, Oregon. We produce circular saw blades and band saws for the primary side of the lumber industry. This affidavit is a supplement to the affidavit that was submitted in the prehearing injury briefs for *Specialized Hot-Rolled Products: Product #3* and *Specialized Cold-Rolled Products: Product # 4.* I write this supplement because there have been some serious new developments in the saw blade and band saw industry that have tremendous implications on my business and those industries as a whole.

2. Last week, Acme Metals announced that it will be shutting its doors and stopping production. They are the only other supplier of saw blade steel in the United States. Now, there is no domestic producer that is able to supply us the necessary quality and sizes we need to produce our saw blades. We are solely dependent upon imports to provide us the steel for both our circular saw blades and our band saws.

3. As this case has progressed, the economy has continued to worsen and the American dollar has continued to become stronger than the Canadian dollar. Even before this economic slump, we were already fighting cheap Canadian imports of saw blades. Now that the American dollar is stronger, this competition has increased dramatically. If we were forced to pay more for our steel, this would only serve to put us at a strategic disadvantage to the Canadian saw blade and band saw producers.

4. [ ] Any increase in duties on high-carbon hot-rolled alloy steel for circular saw blades would severely hinder our operations. [

]

5. [

] In total, approximately 97% of our raw steel materials are <u>not</u> produced in the United States, and yet, are under the scope of this Steel 201 investigation. Putting quotas or duties on these types of steel would only serve to cripple Pacific Hoe Saw & Knife, and would serve no benefit to the U.S. steel industry as there is no U.S. producer of this steel.

James Ruthven

Dated: October 26, 2001

Subscribed and sworn to before me this 26 day of October, 2001.

Notary Public

My commission expires: 9/28/03

OFFICIAL SEAL
WADE NELSON
NOTARY PUBLIC - OREGO
COMMISSION NO. 3275
MY COMMISSION EXPIRES SEPT. 28,

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PUBLIC VERSION

PUBLIC VERSION

AFFIDAVIT OF TIM GASE
PRESIDENT, PEERLESS SAW CO.

I, Tim Gase, declare and state to the best of my knowledge, information, and belief, that:

1. I am President of Peerless Saw Co. of Groveport, Ohio. We produce saw blades for the lumber industry, the furniture industry, and steel cutting. Although we prefer to buy steel from the United States, we have been unable to qualify a U.S. supplier. The high quality of imported steel from Japan is essential to maintaining the quality of our product.

2. In the past, Peerless has purchased from several U.S. steel producers. Sharon Steel went bankrupt in the early 1990s. We tried WCI, but due to quality problems, we replaced them with [redacted] Corporation. In particular, WCI's product would not stay flat during heat treatment. We have tested steel from another U.S. mill, Acme, but it also does not meet our quality standards.

3. Flatness of the steel is the most important characteristic of the steel we use. Even though the chemistry of the Japanese and the domestic steel is the same, the Japanese can better process it to meet our needs. With the domestic steel, we have found that the steel begins to curve after it has been processed. Even if we hammer it flat again, the steel will continue to curl when it is used. A curved blade is not only useless, but is dangerous to use. The domestic suppliers are aware of this issue and our specifications, but have been unable to provide a satisfactory product.

4. Furthermore, the surface of the steel cannot be flawed. Frequently, the domestic producers provide steel that has bruises or roll marks. When we see this, we must scrap the steel as it is useless for our purposes. If the blade is made with steel with these defects, it will worsen with use, thereby making our product less durable. Our customers would not be satisfied with such a low quality product.

5. Again, we prefer to buy our raw materials from the United States if at all possible. However, we cannot rely on domestic mills because they are unable to produce hot-rolled steel that is suitable for saw blades. We do not believe that a domestic industry, which does not produce this specialty product, could be injured by imports. The Commission should therefore agree that any additional restrictions on these imports would not benefit the U.S. industry. Rather, additional tariffs or quotas would only hurt customers like Peerless that rely on foreign supply, increasing our costs and disrupting our supply of raw materials.

Tim Gase

Tim Gase

Dated: Sept. 6, 2001

Subscribed and sworn to before me this 6th day of September, 2001.

Sandra R Peppel

Notary Public

My commission expires:

Sandra R Peppel
Notary Public - State of Ohio
Commission Expires 11-25-05

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WCI STEEL
METALLURGICAL SERVICES INC.

Kraig Baron – President
Western Saw
3200 Camino del Sol
Oxnard, CA 93030

10-19-01

Dear Kraig,

Following please find WCI Steel's size capabilities with respect to alloy grades SAE 4135 and 8670.

SAE 4135

Thickness Range Ordered Minimums	Maximum Width
.085" - .119"	36"
.120" - .200"	36-1/2"
.201" - .625"	42"

SAE 8670

Thickness Range Ordered Minimums	Maximum Width
.090" - .130"	32"
.131" - .250"	36"

If I can be of any further service, please don't hesitate to call me.

Best Regards,

Rick Chapman
Customer Technical Service Representative

Cc: MRR TGB RWP

WCI Steel Metallurgical Services Inc.
1040 Pine Avenue, SE
Warren, OH 44483-6528

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